

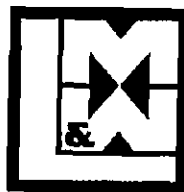
LASALLE ECONOMIC DEVELOPMENT DISTRICT

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/11/10



LESTER, MILLER & WELLS
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

LaSalle Economic Development District
Financial Statements
And
Independent Auditors' Report
Year Ended December 31, 2009

TABLE OF CONTENTS

	<u>Page No.</u>
Management's Discussion and Analysis.....	i-iv
Independent Auditors' Report on the Financial Statements and Supplementary Information	1-2
 Basic Financial Statements	
Government Wide Financial Statements	
Statement of Net Assets.....	4
Statement of Activities	5
 Fund Financial Statements	
Balance Sheet - Governmental Funds.....	6
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets.....	7
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities - Governmental Funds	9
Notes to Basic Financial Statements	10-15
 Required Supplementary Information	
General Fund and Major Fund Descriptions	17
Schedule of Compensation Paid to Board Members	18
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	19
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>GOVERNMENT AUDITING STANDARDS</u>	20

LaSalle Economic Development District Management's Discussion and Analysis

This section of the District's annual financial report presents background information and management's analysis of the District's financial performance during the fiscal year that ended on December 31, 2009. Please read it in conjunction with the financial statements in this report.

Financial Highlights

- The District has not received its share of occupancy tax revenue from the State of Louisiana for the year 2009. A receivable of \$16,000 has been recorded. The amount recorded was based on historical amounts.
- The District received \$244,000 in grants for fiscal year 2009. These grants were from the Federal Aviation Administration (FAA) and the Louisiana Department of Transportation and Development (DOTD). They are for several projects.
- A grant from the DOTD for \$131,650 was awarded in fiscal year 2007 to realign Hatcher Road by the airport. In FY 2008, the District was awarded a grant of \$126,000 from the FAA to install a security fence and a security gate at the airport. The Hatcher Road project was nearing completion at the end of fiscal year 2009. The \$126,000 project was completed. Two new projects began in FY 2009. One was the identification and removal of obstructions at the airport (\$150,000) and the other was installing a new rotating beacon and wind cone (\$17,000).
- An inter-governmental services agreement (IGSA) was entered into with Immigration and Customs Enforcement (ICE) and the GEO Group, Inc. (GEO) contemporaneously with the District receiving \$5,000 per month beginning December 31, 2007 for administrative services. In June of 2008 the fee for administrative services increased to \$15,000 per month due to the increase in detainee population to 1,000 detainees for at least one day per IGSA. The total income to the District was \$180,000 for fiscal year 2009, compared to \$140,000 in fiscal year 2008.

Required Financial Statements

The Financial Statements of the District report information about the District using Governmental Accounting Standards Board (GASB) accounting principles. These statements offer short-term and long-term financial information about its activities. The Statement of Net Assets includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to the District's creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenditures and Changes in Net Assets. This statement measures improvements in the District's operations over the past year.

Financial Analysis of the District

The Statement of Net Assets and the Statement of Revenues, Expenditures and Changes in Net Assets report information about the District's activities. These two statements report the net assets of the District and changes in them. Increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating.

LaSalle Economic Development District
Management's Discussion and Analysis (Continued)

Net Assets

Table 1 presents condensed Statements of Net Assets for the District and compares fiscal years 2009 and 2008.

TABLE 1
Condensed Statement of Net Assets

	<u>2009</u>	<u>2008</u>
Assets		
Current assets	\$ 1,688,848	\$ 3,810,625
Capital assets	<u>1,418,314</u>	<u>1,187,526</u>
Total assets	\$ <u>3,107,162</u>	\$ <u>4,998,151</u>
Liabilities		
Current liabilities	\$ <u>1,508,459</u>	\$ <u>3,711,123</u>
Net assets		
Investment in capital assets, net of related debt	1,418,314	1,187,526
Restricted net assets	-0-	25,544
Unrestricted net assets	<u>180,389</u>	<u>73,958</u>
Total net assets	<u>1,598,703</u>	<u>1,287,028</u>
 Total liabilities and net assets	 \$ <u>3,107,162</u>	 \$ <u>4,998,151</u>

The decrease in current assets is due to a decrease in Accounts Receivable from ICE. This decrease demonstrates an increased efficiency in billing and collecting from ICE.

LaSalle Economic Development District
Management's Discussion and Analysis (Continued)

Summary of Revenues, Expenditures and Changes in Net Assets

Table 2 presents a summary of the District's revenues and expenditures for the fiscal years ended December 31, 2009 and 2008.

TABLE 2
Condensed Statements of Revenues, Expenditures and
Changes in Net Assets

	<u>2009</u>	<u>2008</u>
Revenues		
U.S. Immigration and Customs Enforcement	\$ 20,714,144	\$ 17,959,059
Grants	243,748	25,544
Other	196,757	19,040
Total revenues	<u>21,154,649</u>	<u>18,003,643</u>
Expenditures		
Salary and taxes	15,937	20,186
Disbursements to parish airport	42,444	8,980
Disbursements of grants	18,231	-0-
Disbursements to GEO Group	20,699,144	17,819,059
Disbursements District grants	-0-	60,000
Insurance	4,382	-0-
Depreciation	43,907	36,407
Other expenditures	18,929	16,119
Total expenditures	<u>20,842,974</u>	<u>17,960,751</u>
Excess revenues over expenditures	311,675	42,892
Net assets, beginning of year	1,287,028	1,244,136
Net assets, end of year	\$ <u>1,598,703</u>	\$ <u>1,287,028</u>

The increase in net assets is attributable to increases in administrative fee revenue and grant revenue received during fiscal year 2009.

LaSalle Economic Development District
Management's Discussion and Analysis (Continued)

Sources of Revenue

The District received several grants in fiscal year 2009 for several projects.

The District funds are in a checking account held with the Bank of Jena and in a pass through account with Southern Heritage. The District has an agreement to provide administrative services for the GEO Group and in return receive \$5,000 per month until detainee population exceeded 1,000 for one day. This occurred in June 2008. The District is now receiving \$15,000 per month from the GEO Group. This revenue totaled \$140,000 in fiscal year 2008 and \$180,000 in fiscal year 2009.

Capital Assets

At year end capital assets consisted of land purchased for future development, the land at the airport, the rehabilitated runway, and a new fence and gate at the LaSalle Parish Airport. Construction in progress consists of the ongoing projects at year end: Hatcher Road realignment, obstruction removal and rotating beacon/wind cone.

**TABLE 3
Capital Assets**

	<u>2009</u>	<u>2008</u>
Land	\$ 33,750	\$ 33,750
Land airport	406,000	406,000
Land improvements	892,183	784,183
Major moveable equipment	18,000	-0-
Construction in progress	<u>148,695</u>	<u>-0-</u>
Total	1,498,628	1,223,933
Accumulated depreciation	<u>(80,314)</u>	<u>(36,407)</u>
Net	\$ <u>1,418,314</u>	\$ <u>1,187,526</u>

Long-term Debt

At year-end, the District did not have long-term debt.

Contacting the District's Financial Manager

This financial report is designed to provide our citizens and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact LaSalle Economic Development District, Jena, Louisiana.

**LESTER, MILLER & WELLS***A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS*

3600 Bayou Rapides Rd. • Alexandria, LA 71303

Members:

American Institute of CPA's

Society of Louisiana CPA's

Bobby G. Lester, CPA

John S. Wells, CPA

Robert G. Miller, CPA

Paul A. Delaney, CPA

Mary L. Carroll, CPA

Brenda J. Lloyd, CPA

Mailing Address: Post Office Box 8758 • Alexandria, Louisiana 71306-1758 • Telephone (318) 487-1450 • Facsimile (318) 445-1184

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
LaSalle Economic Development District
Jena, Louisiana

We have audited the accompanying financial statements of the governmental activities and the major fund of the LaSalle Economic Development District, (the "District") for the year ended December 31, 2009, which collectively comprise the District's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major funds of the LaSalle Economic Development District, as of December 31, 2009, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated June 16, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Board of Commissioners
LaSalle Economic Development District
Jena, Louisiana
Page Two

Management's discussion and analysis on pages "i" through "iv" and the budgetary comparison on page 18 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

Leeta Mulla & Will

Certified Public Accountants
June 16, 2010



BASIC FINANCIAL STATEMENTS

LaSalle Economic Development District
Statement of Net Assets
December 31,

ASSETS	<u>2009</u>
Cash and cash equivalents	\$ 149,389
Accounts receivable	1,539,459
Capital assets, net of depreciation	<u>1,418,314</u>
 Total assets	 \$ <u>3,107,162</u>
 LIABILITIES	
Accounts payable	\$ <u>1,508,459</u>
 Total current liabilities	 <u>1,508,459</u>
 NET ASSETS	
Invested in capital assets, net of related debt	1,418,314
Unrestricted net assets	<u>180,389</u>
 Total net assets	 <u>1,598,703</u>
 Total liabilities and net assets	 \$ <u>3,107,162</u>

The accompanying notes constitute an integral part of this statement.

LaSalle Economic Development District
Statement of Activities
Year Ended December 31, 2009

		<u>Program Revenues</u>		Net
	<u>Expenses</u>	<u>Operating Grants and Revenue</u>	<u>Capital Grants</u>	(Expenses) Revenue and Changes in Net Assets
Governmental activities				
Administrative	\$ 23,311	\$ -0-	\$ -0-	\$ (23,311)
Immigration & Customs Enforcement	-0-	20,714,144	-0-	20,714,144
GEO Group, Inc.	20,699,144	-0-	-0-	(20,699,144)
DOTD airport maintenance	42,444	4,918	-0-	(37,526)
Airport grants	18,231	-0-	238,830	220,599
Salaries and payroll taxes	15,937	-0-	-0-	(15,937)
Depreciation	<u>43,907</u>	<u>-0-</u>	<u>-0-</u>	<u>(43,907)</u>
Total governmental activities	\$ <u>20,842,974</u>	\$ <u>20,719,062</u>	\$ <u>238,830</u>	114,918
General revenues				
Share of LaSalle Parish				
occupancy tax				16,000
Administrative income GEO				180,000
Rent				623
Interest				<u>134</u>
Increase in net assets				311,675
Net assets - January 1, 2009				<u>1,287,028</u>
Net assets - December 31, 2009				\$ <u>1,598,703</u>

The accompanying notes constitute an integral part of this statement.

LaSalle Economic Development District
Balance Sheet
Governmental Funds
Year Ended December 31, 2009

ASSETS	General Fund	Airport Fund	Special Fund	Total Governmental Funds
Cash and cash equivalents	\$ 130,636	\$ 2,079	\$ 16,674	\$ 149,389
Restricted cash and cash equivalents	-0-	-0-	-0-	-0-
Accounts receivable	<u>31,000</u>	<u>-0-</u>	<u>1,508,459</u>	<u>1,539,459</u>
Total assets	\$ <u>161,636</u>	\$ <u>2,079</u>	\$ <u>1,525,133</u>	\$ <u>1,688,848</u>
 LIABILITIES				
Current Liabilities	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>1,508,459</u>	\$ <u>1,508,459</u>
 FUND BALANCES				
Reserved for:				
Encumbrances	-0-	-0-	-0-	-0-
Unreserved, reported in:				
General fund	<u>161,636</u>	<u>2,079</u>	<u>16,674</u>	<u>180,389</u>
Total fund balances	<u>161,636</u>	<u>2,079</u>	<u>16,674</u>	<u>180,389</u>
Total liabilities and fund balances	\$ <u>161,636</u>	\$ <u>2,079</u>	\$ <u>1,525,133</u>	\$ <u>1,688,848</u>

The accompanying notes constitute an integral part of this statement.

LaSalle Economic Development District
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
Governmental Funds
December 31,

2009

Total fund balances - Governmental Funds	\$	180,389
--	----	---------

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore the following amounts are not reported in the funds.

Capital assets		<u>1,418,314</u>
----------------	--	------------------

Net assets of governmental activities at December 31, 2009	\$	<u>1,598,703</u>
--	----	------------------

The accompanying notes constitute an integral part of this statement.

LaSalle Economic Development District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year Ended December 31, 2009

	General Fund	Airport Fund	Special Fund	Total Governmental Funds
Revenues				
Immigration & Customs Enforcement	\$ -0-	\$ -0-	\$ 20,714,144	\$ 20,714,144
Administrative GEO income	-0-	-0-	180,000	180,000
Occupancy sales tax	16,000	-0-	-0-	16,000
FAA grant income	-0-	96,235	-0-	96,235
DOTD grant income	4,918	142,595	-0-	147,513
Miscellaneous income	-0-	623	134	757
Transfers-internal activities	180,000	-0-	(180,000)	-0-
	<u>200,918</u>	<u>239,453</u>	<u>20,714,278</u>	<u>21,154,649</u>
Total revenues and transfers				
Expenditures				
Salary and taxes	-0-	-0-	15,937	15,937
LaSalle Detention Center - GEO	-0-	-0-	20,699,144	20,699,144
Depreciation	-0-	43,907	-0-	43,907
Repairs and maintenance	-0-	42,444	-0-	42,444
Airport grant	-0-	18,231	-0-	18,231
Other expenses	22,138	-0-	1,173	23,311
	<u>22,138</u>	<u>104,582</u>	<u>20,716,254</u>	<u>20,842,974</u>
Total expenditures				
Excess revenues over expenditures	178,780	134,871	(1,976)	311,675
Fund balances - beginning	39,382	1,205,840	41,806	1,287,028
Fund balances - ending	\$ <u>218,162</u>	\$ <u>1,340,711</u>	\$ <u>39,830</u>	\$ <u>1,598,703</u>

The accompanying notes constitute an integral part of this statement.

LaSalle Economic Development District
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance to the Statement of Activities
Governmental Funds
Year Ended December 31, 2009

Net change in fund balances - total governmental funds	\$ 311,675
--	------------

Amounts reported for governmental activities in the Statement
of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense.	<u>43,907</u>
---	---------------

Change in net assets of governmental activities	\$ <u>355,582</u>
---	-------------------

The accompanying notes constitute an integral part of this statement.

LaSalle Economic Development District
Notes to Basic Financial Statements
Year Ended December 31, 2009

NOTE 1 - REPORTING ENTITY

The LaSalle Economic Development District (the "District") is a special district which was created by Louisiana Revised Statute 33:130.201 in 1988. The District is a political subdivision of the State of Louisiana and is governed by a Board of Commissioners appointed by various bodies within LaSalle Parish. Each board member must be a resident of LaSalle Parish. Each municipality shall appoint one member in a public meeting after receiving applications submitted by residents of the municipality. Each state and federally chartered financial institution with offices in LaSalle Parish shall appoint one member. The following LaSalle Parish bodies shall appoint one member each: LaSalle Parish School Board, LaSalle Parish Police Jury, LaSalle Development Board, and the LaSalle Parish Chamber of Commerce. The board members serve four year terms and receive no compensation.

The District was created for the primary objective and purpose of promoting and encouraging industrial development, to stimulate the economy through commerce, industry, and research and for the utilization and development of natural and human resources of the area by providing job opportunities.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the District is legally separate and fiscally independent, the District is a separate governmental reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information of the State of Louisiana or the general government service provided by that or any other governmental entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

Basis of Accounting

Government-wide Financial Statements

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. Activities are presented using the economic resources method. The accounting objective of the measurement focus is the determination of operating income, changes in net assets, and financial position. All assets and liabilities (whether current or noncurrent) associated with the government's activities are reported. Fund equity is classified as net assets. Government activities are presented using the accrual basis of accounting. Under the accrual basis of accounting the Statement of Net Assets and Statement of Activities present revenues, expenses and fixed asset acquisitions as follows:

LaSalle Economic Development District
Notes to Basic Financial Statements
Year Ended December 31, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue – Revenues are recognized in the accounting period in which they are earned
Expenses – Expenses are recorded when the liability is incurred or economic assets used
Capital assets – All capital assets are valued at historical cost, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation.

Program revenues included in the Statement of Activities are derived directly from outside parties.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities.

Fund Financial Statements

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The District uses the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Net Assets reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred.

Cash and Cash Equivalents

Cash and cash equivalents consist of deposits in checking accounts.

Inventories

The District did not record inventory at December 31, 2009.

Prepaid Items

The District did not record prepaid items at December 31, 2009.

Property, Plant and Equipment

Property, plant and equipment is recorded at cost for purchased assets or at fair market value on the date of any donation. The District uses straight-line depreciation for financial reporting. The following estimated useful lives are generally used.

Land Improvements	5 - 25 years
Major Moveable Equipment	5 - 25 years

LaSalle Economic Development District
Notes to Basic Financial Statements
Year Ended December 31, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenditures for additions, major renewals and betterments are capitalized and expenditures for maintenance and repairs are charged to operations when incurred.

The cost of assets retired or otherwise disposed of and related accumulated depreciation is eliminated from the accounts in the year of disposal. Gains or losses resulting from property disposals are credited or charged to operations currently.

Net Assets

Net assets of the District consist of net assets invested in capital assets (property and equipment) net of related debt; restricted net assets; and unrestricted net assets. Net assets invested in capital assets net of related debt consist of capital assets net of accumulated depreciation and the outstanding balance of any related debt that is attributable to the acquisition of the capital assets. Restricted net assets are those assets that are externally restricted by creditors, grantors, contributors, or laws and regulations, or those restricted by constitutional provisions and enabling legislation. Unrestricted net assets consist of all other assets. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 3 - DEPOSITS AND INVESTMENTS

As of December 31, 2009, the balance reported by the financial institutions for cash totaled \$192,657. The totals at each bank were covered by federal depository insurance.

Investing is performed in accordance with investment policies complying with state statutes. Funds may be invested in direct obligations of the United States Government and its agencies pledged by its full faith and credit, certificates of deposit and savings accounts which are secured by FDIC or pledged of securities, and government backed mutual or trust funds.

Custodial Credit Risks – Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. Louisiana state statutes require that all of the deposits of the District be protected by insurance or collateral. The fair value of the collateral pledged must equal 100% of the deposits not covered by insurance. The District's deposits were entirely insured or entirely collateralized by securities held by the pledging bank's trust department in the District's name at December 31, 2009.

Interest Rate Risks – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater is the sensitivity of its fair value to changes in market interest rates.

LaSalle Economic Development District
Notes to Basic Financial Statements
Year Ended December 31, 2009

NOTE 4 - OCCUPANCY SALES TAXES

The State of Louisiana imposed a hotel occupancy sales tax in LaSalle Parish for the District under Revised Statute (R.S.). 47:301 (14)(a). Under the provisions of R.S. 47:321(C) and 322 the taxes shall be credited to the Bond Security and Redemption Fund. After all the obligations of that fund that are due and payable for that fiscal year have been met, the treasurer will pay the remainder into a special fund designated as the "LaSalle Economic Development District Fund". This money shall be subject to appropriation by the legislature each year. Sixty-seven and one-half percent (67 ½%) shall be utilized by the LaSalle Economic Development District. The remaining thirty-two and one-half percent (32 ½%) is distributed to other LaSalle Parish entities.

NOTE 5 - PROPERTY, PLANT, AND EQUIPMENT

The following is a summary of property, plant, and equipment for the year ended December 31, 2009:

	<u>2008</u>	<u>Additions</u>	<u>Disposals</u>	<u>2009</u>
Land	\$ 33,750	\$ -0-	\$ -0-	\$ 33,750
Land - airport	406,000	-0-	-0-	406,000
Land improvements	784,183	108,000	-0-	892,183
Major moveable equipment	-0-	18,000	-0-	18,000
Construction in progress	-0-	148,695	-0-	148,695
	<hr/>	<hr/>	<hr/>	<hr/>
Total	1,223,933	274,695	-0-	1,498,628
Accumulated depreciation	(36,407)	(43,907)	-0-	(80,314)
	<hr/>	<hr/>	<hr/>	<hr/>
Net	\$ 1,187,526	\$ 230,788	\$ -0-	\$ 1,418,314

NOTE 6 - COOPERATIVE ENDEAVOR AGREEMENT LASALLE PARISH POLICE JURY

In 2005, the District entered into a cooperative endeavor agreement with the LaSalle Parish Police Jury (the "Jury") relative to the LaSalle Parish Airport, and all facilities, lands, equipment, movable items, rights, ways and appurtenances thereto appertaining. The Jury conveyed ownership of the parish airport to the District in consideration of the mutual benefit to the parties, the parish, and the surrounding business community. All operations, maintenance, expansions and improvements will be at the expense and sole discretion of the District. The Jury will remain as co-sponsor of the airport for the sole purpose of facilitating expropriation if needed in the sole discretion of the District to expand the airport, as directed by state and/or federal aviation officials. If the District ceases to exist as a state political subdivision, then in that event all property conveyed and any improvements, equipment, expansions, and other property rights will revert or be transferred to the Jury and will be used by the Jury at its sole discretion as a public airport facility.

LaSalle Economic Development District
Notes to Basic Financial Statements
Year Ended December 31, 2009

NOTE 7 - AGREEMENTS

The District entered into an Inter-Governmental Service Agreement ("IGSA") with the United States Immigration and Customs Enforcement ("ICE") in fiscal year 2007. This agreement was to provide services for the detention and care of aliens ("detainees").

A service contract was entered into with the GEO Group, Inc. ("GEO") effective April 1, 2007 for the provision, management, and operation of a detention facility for the detention and care of detainees and to otherwise perform the District's responsibilities and obligations as set forth in the IGSA. Upon population of the facility the District was responsible for the billing, collecting, and remitting to GEO the per diem paid by ICE. The District shall be paid for the administrative duties by GEO contingent upon the number of detainees.

NOTE 8 - GRANTS

The District began two projects at the airport in fiscal year 2009. One is obstruction identification and removal funded at \$150,000 by the Louisiana Department of Transportation and Development (DOTD). The second project is installing a rotating beacon and wind cone upgrade at a cost of \$17,000 funded by the DOTD.

The District and their co-sponsor, the Jury, were awarded a grant from the (DOTD) for the realignment of the Hatcher Road in the amount of \$131,650. Grant monies received in 2007, 2008 and 2009 were \$17,749, \$0 and \$99,758, respectively. The project is ongoing at year end.

During fiscal year 2008, \$126,000 was awarded to the District. The Federal Aviation Administration's portion of the grant equaled 95% or \$119,700 with the remaining 5% being provided by the Louisiana DOTD. This grant was to fund the Fencing (Phase 1) project to build a security fence and install an electric gate at the airport. Grant monies in the amount of \$23,465 were received in fiscal year 2008 with the remainder of the grant received in fiscal year 2009. This project was completed in 2009.

NOTE 9 - CONTINGENCIES

The District evaluates contingencies based upon the best available evidence. The District believes that no allowances for loss contingencies are considered necessary. To the extent that resolution of contingencies results in amounts which vary from the District's estimates, future earnings will be charged or credited.

The principal contingencies are described below:

Litigation and Other Matters - Various claims in the ordinary course of business are pending against the District. In the opinion of management and counsel, insurance is sufficient to cover adverse legal determinations in those cases where a liability can be measured.

LaSalle Economic Development District
Notes to Basic Financial Statements
Year Ended December 31, 2009

NOTE 10 - SUBSEQUENT EVENTS

Events have been evaluated through June 16, 2010 for subsequent event disclosure. This date is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

LaSalle Economic Development District
General Fund and Major Fund Descriptions
Year Ended December 31, 2009

General Fund

The general fund accounts for resources traditionally associated with the District which are not required legally or by sound financial management to be accounted for in another fund.

Other Funds

Airport Fund

The Airport Fund was created to account for grant revenues and expenditures of the Airport projects. The purpose of one project was the rehabilitation of the LaSalle Parish Airport runway. Ongoing projects at year end are the realignment of Hatcher Road to outside of the airport safety zone, obstruction identification and removal and installation of rotating beacon and wind cone upgrade.

Special Fund

The special fund is used to account for the inflow and outflow of revenue from the U.S. Immigration and Customs Enforcement (ICE) intergovernmental agreement with the LaSalle Economic Development District.

LaSalle Economic Development District
Schedule of Compensation Paid to Board Members
Year Ended December 31, 2009

	<u>2009</u>
Walter Dorroh, Jr.	None
Jacqueline Richardson	None
Marilyn Sandifer	None
Jimmy Dean	None
Kurt Girlinghouse	None
Ned McCann	None
W.B. McCartney, Jr.	None
Murphy McMillin	None
Christine Norris	None
Lee Richardel	None
Wanda Love	None
Walter Creel	None
Paul Tweedy	None
Randy Welch	None
Gayla Warren	None
Billy Fowler	None

LaSalle Economic Development District
 Airport Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Revenues				
U.S. Immigration & Customs Enforcement	\$ -0-	\$ -0-	\$ 20,714,144	\$ 20,714,144
Administrative income GEO	-0-	-0-	180,000	180,000
Occupancy sales tax	16,000	16,000	16,000	-0-
FAA grant income	-0-	-0-	96,235	96,235
DOTD grant income	-0-	-0-	147,513	147,513
Miscellaneous income	-0-	-0-	757	757
Total revenues	<u>16,000</u>	<u>16,000</u>	<u>21,154,649</u>	<u>21,138,649</u>
Expenditures				
Salary and taxes	-0-	-0-	15,937	(15,937)
LaSalle Detention Center - GEO	-0-	-0-	20,699,144	(20,699,144)
Repairs and maintenance	16,000	16,000	42,444	(26,444)
Other expenses	-0-	-0-	41,542	(41,542)
Total expenditures	<u>16,000</u>	<u>16,000</u>	<u>20,799,067</u>	<u>(20,783,067)</u>
Excess (deficiency) revenues over expenditures	-0-	-0-	355,582	355,582
Other financing sources (uses)				
Depreciation	(36,000)	(36,000)	(43,907)	(7,907)
Net change in fund balances	<u>(36,000)</u>	<u>(36,000)</u>	<u>311,675</u>	<u>347,675</u>
Fund balances - beginning	<u>1,287,028</u>	<u>1,287,028</u>	<u>1,287,028</u>	<u>-0-</u>
Fund balances - ending	\$ <u>1,251,028</u>	\$ <u>1,251,028</u>	\$ <u>1,598,703</u>	\$ <u>347,675</u>



LESTER, MILLER & WELLS

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

3600 Bayou Rapides Rd. • Alexandria, LA 71303

Members:

American Institute of CPA's

Society of Louisiana CPA's

Bobby G. Lester, CPA

John S. Wells, CPA

Robert G. Miller, CPA

Paul A. Delaney, CPA

Mary L. Carroll, CPA

Brenda J. Lloyd, CPA

Mailing Address: Post Office Box 8758 • Alexandria, Louisiana 71306-1758 • Telephone (318) 487-1450 • Facsimile (318) 445-1184

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
LaSalle Economic Development District
Jena, Louisiana

We have audited the financial statements of LaSalle Economic Development District (the "District"), as of and for the year ended December 31, 2009 and have issued our report thereon dated June 16, 2010. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings that we consider to be significant deficiencies in internal control over financial reporting: 2009-1, 2009-2, and 2009-3. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Board of Commissioners
LaSalle Economic Development District
Jena, Louisiana
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions or laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The District's response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of the Board of Commissioners, management and the Office of the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Lefer, Miller & Wells

Certified Public Accountants
June 16, 2010



LaSalle Economic Development District
Schedule of Findings
Year Ended December 31, 2009

Current Year Findings

Internal Controls

Significant Deficiency

2009-1 - Documentation

Fiscal Year Initially Reported December 31, 2008

Finding: We found supporting documentation of some of the District's grants was in several locations with uncertainty as to where it was located.

Recommendation: We recommend establishing a location for all grant documentation to be kept and the necessary parties informed of the need to store all documentation at the selected location.

Management's Response: The District's treasurer has requested copies of all documentation of past, present and future (pending) grants to be sent to him. They will be stored in one location in Jena, Louisiana.

Resolution: This matter has not been resolved.

2009-2 - Financial Statements

Fiscal Year Initially Reported December 31, 2007

Finding: In the past, the auditors were able to draft the financial statements with management accepting responsibility. Effective for financial statements ending on or after December 15, 2006, SAS 112 now requires management to ensure propriety and completeness of the financial statements and related footnotes. The staff responsible for preparation of financial statements and related footnote disclosures in accordance with generally accepted accounting principles (GAAP) lacks the knowledge and/or resources necessary internally to complete the reporting requirements.

Recommendation: Management should either (a) obtain the knowledge and/or resources necessary to internally prepare or review the auditor's preparation of the District's financial statements and related footnote disclosures in accordance with GAAP, or (b) determine if the cost overrides the benefit of correcting this control deficiency.

Management's Response: The cost of obtaining the knowledge and/or resources necessary to correct this deficiency overrides the benefit.

Resolution: This matter has not been resolved.

LaSalle Economic Development District
Schedule of Findings
Year Ended December 31, 2009

Current Year Findings (Continued)

Internal Controls (Continued)

Significant Deficiency (Continued)

2009-3 - Segregation of Duties

Fiscal Year Initially Reported December 31, 2007

Finding: Due to a limited number of available employees, there is not a complete segregation of duties in all accounting, recording and custody functions.

Recommendation: We recommend that duties be segregated to the extent possible to prevent both intentional and unintentional errors. Segregation includes 1) separating transaction authorization from custody of related assets; 2) separating transaction recording from general ledger posting and maintenance; 3) separating operations responsibility from record-keeping. Where these segregations are not possible, we recommend close supervision and review.

Management's Response: It is extremely difficult to segregate duties in this organization because of the shortage of personnel. Management will closely supervise all duties assigned to mitigate this deficiency.

Resolution: This matter has not been resolved.

LaSalle Economic Development District
Schedule of Findings
Year Ended December 31, 2009

Prior Year Findings

Internal Controls

Significant Deficiency

2008-2 - Documentation

Finding: We found supporting documentation of some of the District's grants was in several locations with uncertainty as to where it was located.

Recommendation: We recommend establishing a location for all grant documentation to be kept and the necessary parties informed of the need to store all documentation at the selected location.

Management's Response: The District's treasurer has requested copies of all documentation of past, present and future (pending) grants to be sent to him. They will be stored in one location in Jena, Louisiana.

Resolution: See current year finding 2009-1.

LaSalle Economic Development District
Schedule of Findings
Year Ended December 31, 2009

Prior Year Findings (Continued)

Internal Controls (Continued)

Significant Deficiency (Continued)

2007-1 - Financial Statements

Finding: In the past, the auditors were able to draft the financial statements with management accepting responsibility. Effective for financial statements ending on or after December 15, 2006, SAS 112 now requires management to ensure propriety and completeness of the financial statements and related footnotes. The staff responsible for preparation of financial statements and related footnote disclosures in accordance with generally accepted accounting principles (GAAP) lacks the knowledge and/or resources necessary internally to complete the reporting requirements.

Recommendation: Management should either (a) obtain the knowledge and/or resources necessary to internally prepare or review the auditor's preparation of the District's financial statements and related footnote disclosures in accordance with GAAP, or (b) determine if the cost overrides the benefit of correcting this control deficiency.

Management's Response: The cost of obtaining the knowledge and/or resources necessary to correct this deficiency overrides the benefit.

Resolution: See current year finding 2009-2.

2007-2 - Segregation of Duties

Finding: Due to a limited number of available employees, there is not a complete segregation of duties in all accounting, recording and custody functions.

Recommendation: We recommend that duties be segregated to the extent possible to prevent both intentional and unintentional errors. Segregation includes 1) separating transaction authorization from custody of related assets; 2) separating transaction recording from general ledger posting and maintenance; 3) separating operations responsibility from record-keeping. Where these segregations are not possible, we recommend close supervision and review.

Management's Response: It is extremely difficult to segregate duties in this organization because of the shortage of personnel. Management will closely supervise all duties assigned to mitigate this deficiency.

Resolution: See current year finding 2009-3.